



Canadian  
Transportation  
Agency

Office  
des transports  
du Canada

## **Canadian Transportation Agency**

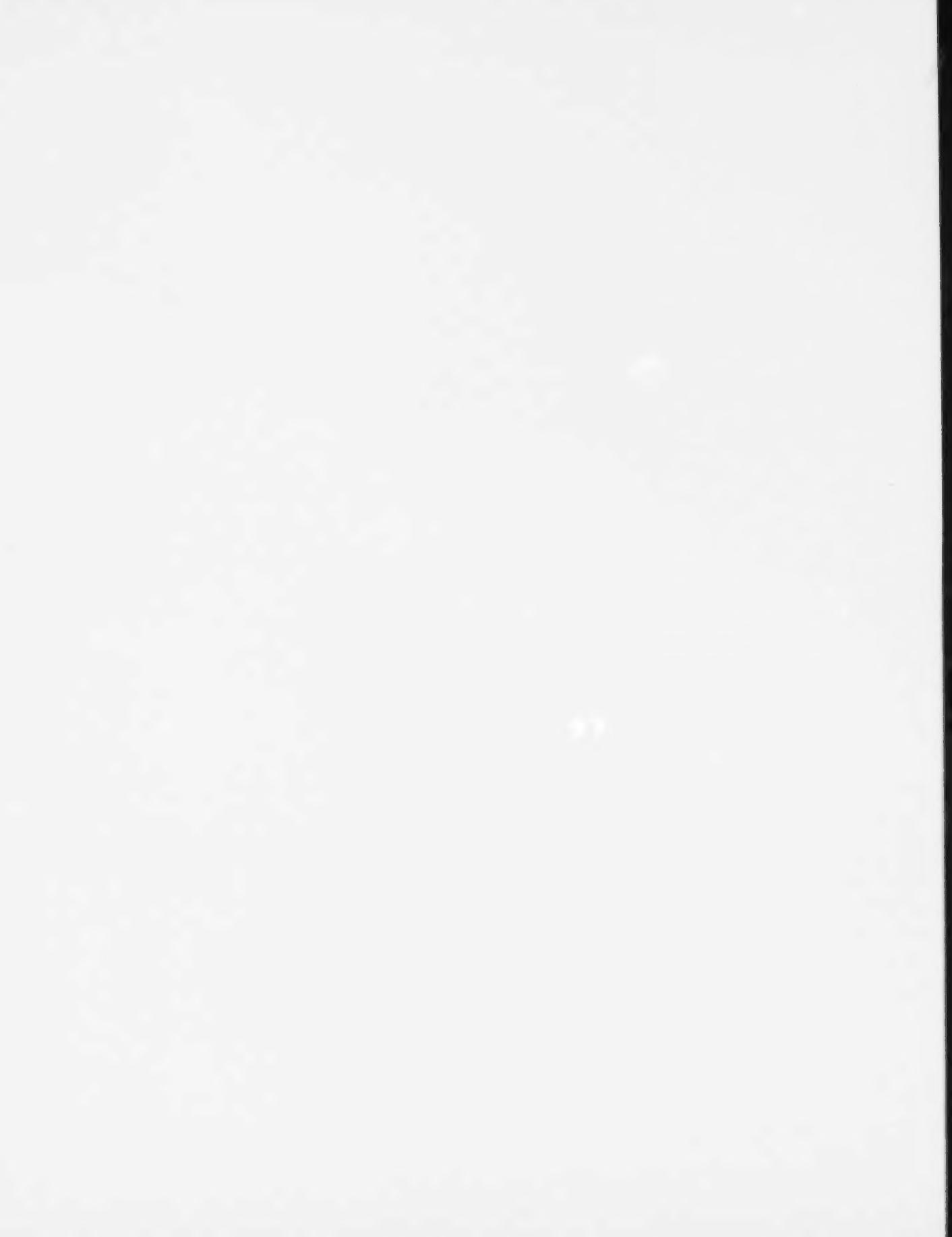
**2009–2010**

### **Report on Plans and Priorities**

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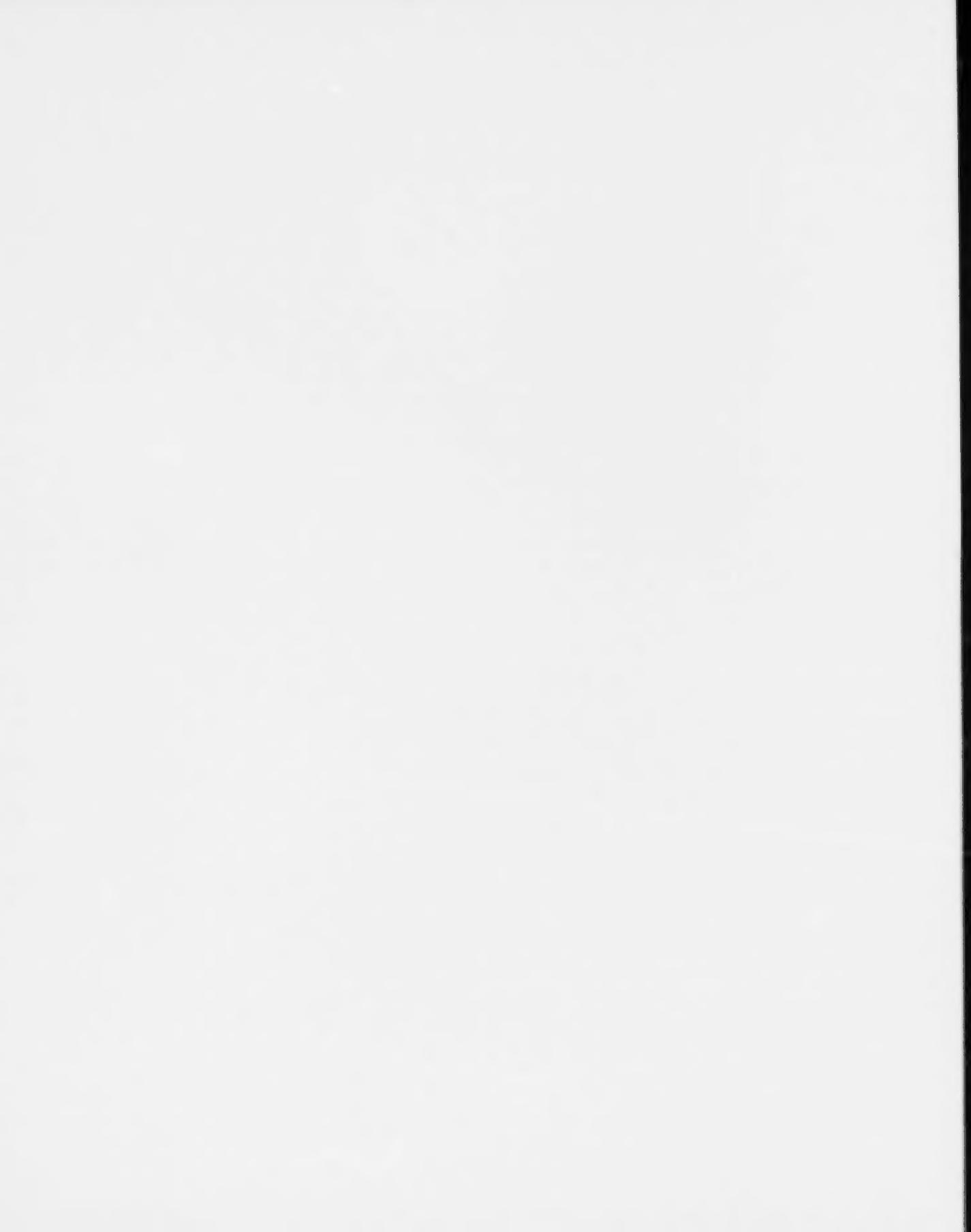
The Honourable John Baird, P.C., M.P.  
Minister of Transport, Infrastructure and Communities

**Canada**



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## **Chair's Message**

I am pleased to present the 2009–2010 Canadian Transportation Agency Report on Plans and Priorities. This report will outline our commitment to delivering high-quality services, and the Agency's contribution to the Government of Canada's objectives.

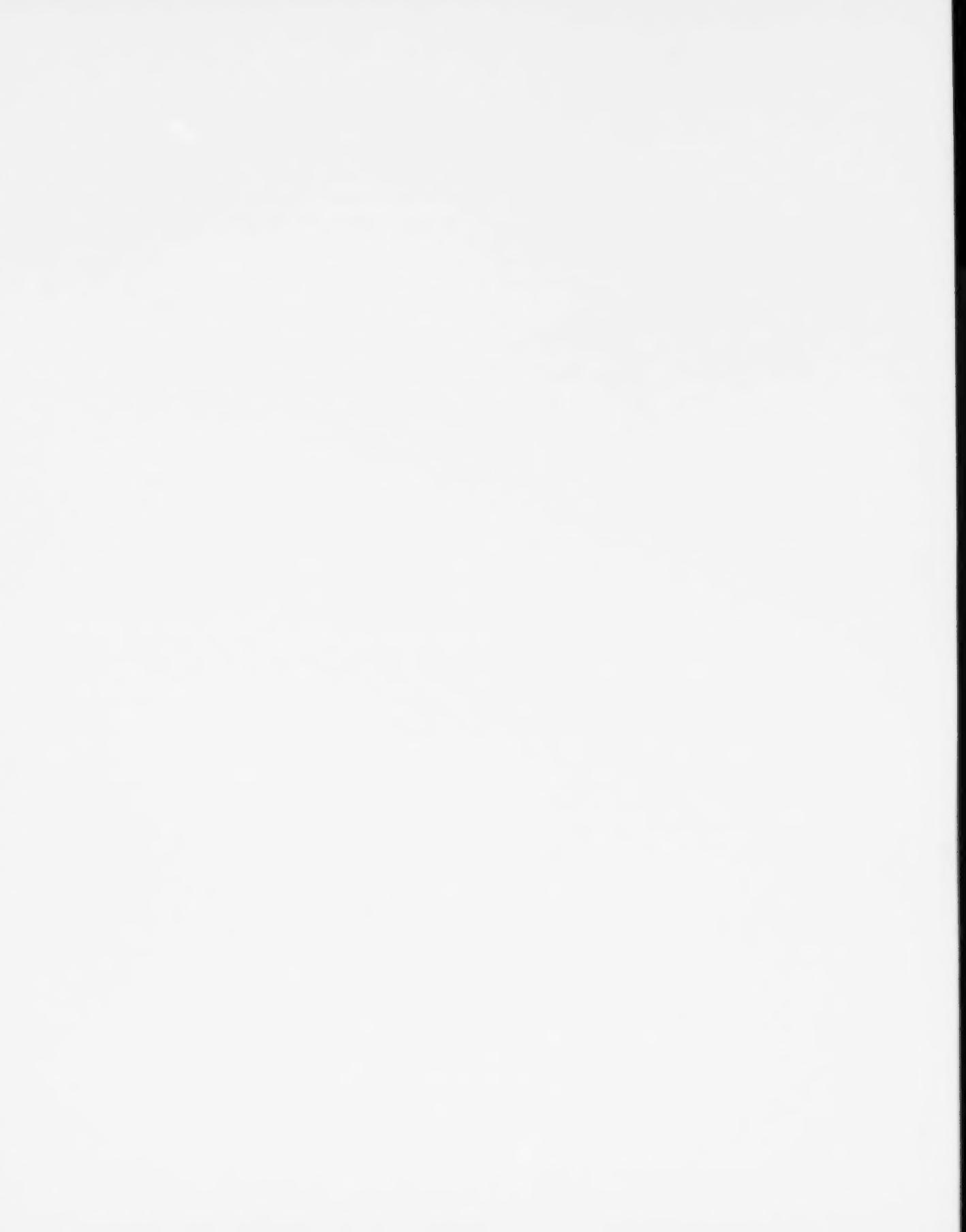
The end of this reporting period will mark the halfway point in the Agency's first-ever, multi-year Strategic Plan (2008-2011). Our Strategic Plan, supported by a comprehensive Action Plan, is focussed on ensuring that we deliver on our mandate as set out in the *Canadian Transportation Act* and is guided by our mission – to assist in achieving a competitive, efficient and accessible transportation system through fair, transparent and timely dispute resolution, essential economic regulation and communication.

The Agency is also taking actions to respond to the Government of Canada's objective of making federal institutions more effective. We have established challenging multi-year performance standards, targets and improvement action plans for each of the Agency's key business lines and corporate service functions. To strengthen our ability to manage growing and changing workload demands and meet new legislative responsibilities, we also undertook a major organizational restructuring and resources reallocation. The new structure integrated the former modal approach (air, rail, marine and accessible transportation) into a functional business delivery model.

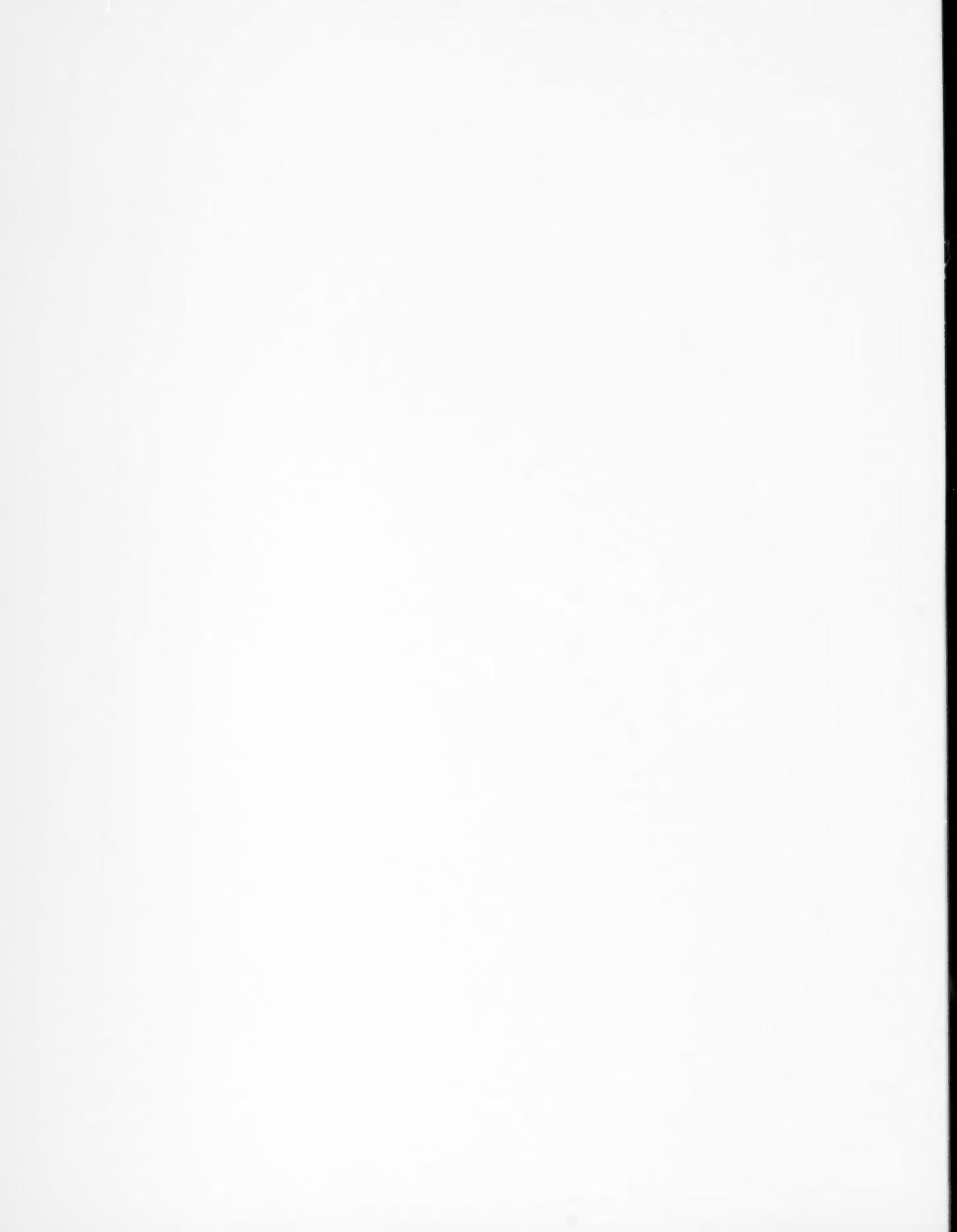
We are also expanding our efforts and capacity to reduce costs for both the Agency and disputing parties through Alternative Dispute Resolution (ADR) mechanisms such as facilitation and mediation. And we will be pursuing a number of business management initiatives, including measures to address critical staff retention and recruitment issues and technological upgrades, designed to achieve enhanced resources utilization and client services improvement objectives.

The last year was marked by our efforts to put in place the new organizational structure, initiating reviews of key business processes, establishing performance measures and targets, and developing a strategy for human resources renewal. I believe 2009-10 will be marked by clear and measurable progress and results in support of our commitments to the Government's and the Agency's objectives and priorities.

**Geoffrey C. Hare**  
Chair and Chief Executive Officer



## **SECTION I — OVERVIEW**



## **1.1 Raison d'être**

As an independent, quasi-judicial tribunal, the Agency makes decisions on a wide range of matters involving air, rail and marine modes of transportation under the legislative authority of Parliament and, for certain accessibility matters, extra-provincial bus transportation). Most of the Agency's activities and workload are generated by demand from users and operators of the national transportation system. The Agency implements the transportation policy established by Parliament in the *Canada Transportation Act* and other legislation. The tribunal's decision-making process is governed by its General Rules, which ensure that all parties to a complaint or an application are dealt with fairly and equitably.

The Agency's mission is to assist in achieving a competitive, efficient and accessible transportation system through dispute resolution, essential economic regulation and communication in a fair, transparent and timely manner.

## **1.2 Organizational Information**

The Agency exercises its powers through its Members, who are appointed by the Governor in Council (GIC). The GIC may appoint up to five Members, of which one shall be designated Chair and Chief Executive Officer (CEO), and one Vice-Chair. The Minister of Transport, Infrastructure and Communities can also appoint up to three temporary Members.

The Chair and CEO is accountable for the Agency's three program activities. The Vice-Chair replaces the Chair and CEO during his absence. All Agency Members are accountable for making quasi-judicial decisions on matters before the Agency.

The Agency performs the functions vested in it by the *Canada Transportation Act* and related legislation (refer to section 3.2.3 for a list of legislation and regulations that the Agency administers in whole or in part). It operates within the context of the very large and complex Canadian transportation system (for details, refer to Transport Canada's Web site at <http://www.tc.gc.ca>).

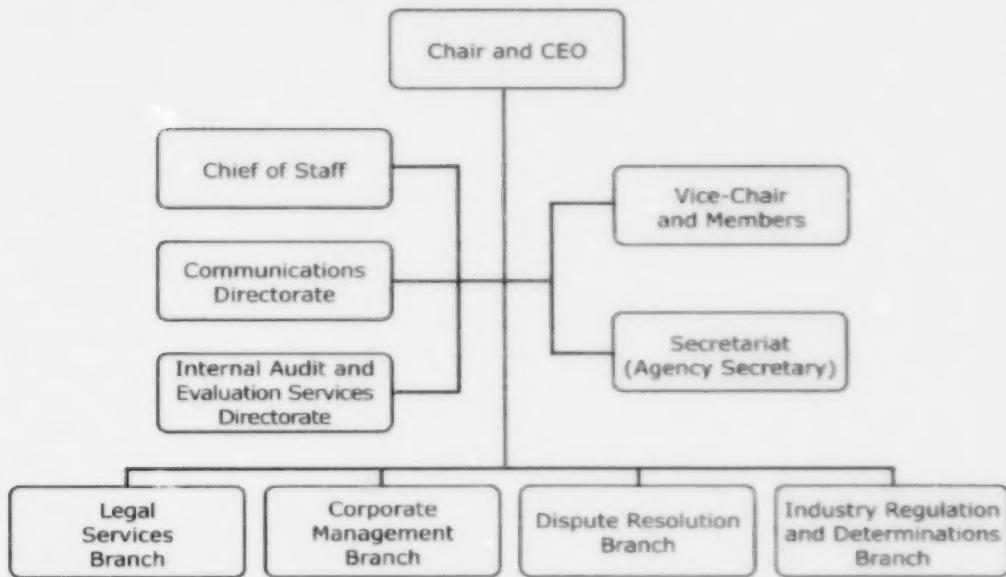
The Agency is one of many Canadian partners helping to achieve transportation that works for everyone by contributing to a competitive and accessible transportation system that efficiently meets the needs of users and service providers and the Canadian economy. Its responsibilities include:

- *Economic regulation*, to provide approvals and licences, and make decisions on a wide range of matters involving federally regulated air, rail and marine transportation;

- *Dispute resolution*, to resolve complaints about transportation services, rates, fees and charges; and
- *Accessibility*, to ensure that our national transportation network is accessible to all persons, particularly those with disabilities.

The Agency's organizational structure is composed of four branches: the Dispute Resolution Branch, the Industry Regulation and Determinations Branch, the Legal Services Branch, and the Corporate Management Branch. The heads of each branch, as well as the Communications Directorate, Internal Audit and Evaluation Services Directorate, and the Secretariat Directorate, report directly to the Chair. The new structure integrates a modal approach (air, accessible, rail, and marine) within a functional business delivery model and allows the Agency to better deal with workload and resource challenges. It provides more flexibility to better respond to change and allows resources to be reallocated where needed to address evolving workload demands. It creates a better place to work, with greater career opportunities, learning and professional development, more variety in work assignments, and better internal mobility for employees between directorates and branches. And finally, it helps address new client-driven demands resulting from the legislated amendments contained in the *Canada Transportation Act*.

## CTA Organization Chart



The Canadian Transportation Agency manages the economic regulation of air, rail and marine modes of transportation under the legislative authority of Parliament through the administration of laws, regulations, voluntary codes of practice and educational and outreach programs and through the resolution of disputes. It is an independent quasi-judicial administrative tribunal reporting to the Parliament of Canada through the Minister of Transport, Infrastructure and Communities.

All decisions on matters before the Agency, whether they relate to air, rail, marine, or accessible transportation matters, are made by Agency Members appointed by the Governor in Council.

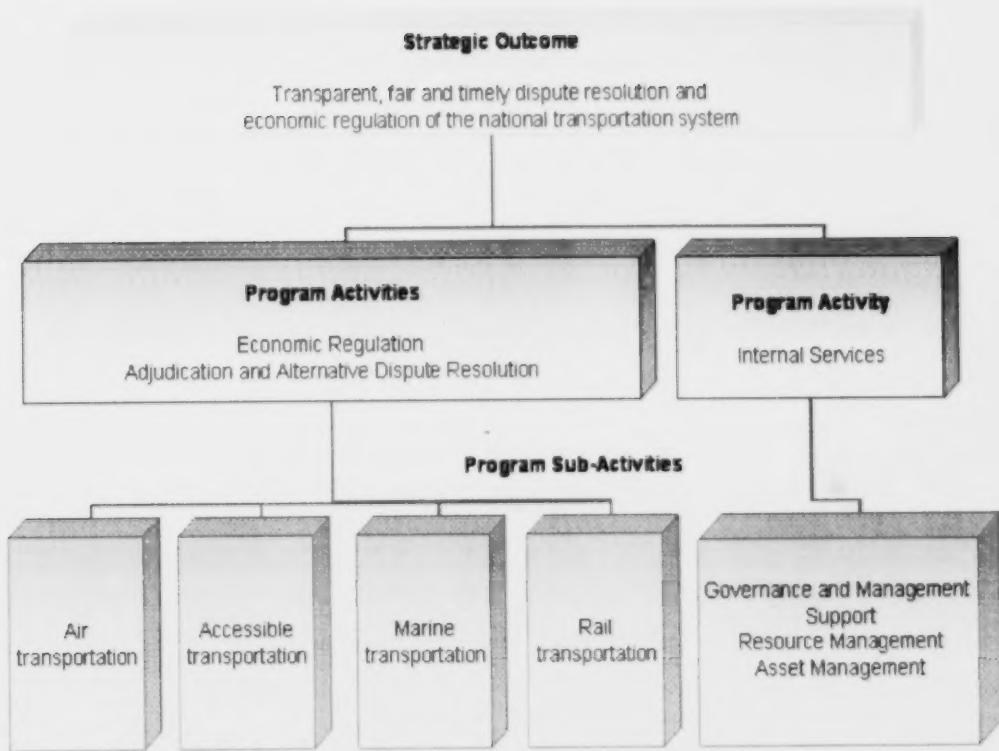
### **1.3 Program Activity Architecture**

The Canadian Transportation Agency's Program Activity Architecture (PAA) has a single focus. The Agency pursues **one strategic outcome**:

- Transparent, fair and timely dispute resolution and economic regulation of the national transportation system.

This is achieved through **three program activities**:

<b>Program Activity</b>	<b>Expected Result</b>
Economic Regulation	Economic and other interests of transportation users, service providers and other affected parties are protected.
Adjudication and Alternative Dispute Resolution	Access to a specialized dispute resolution system that is cost-effective, responsive, fair and timely, and serves the needs of users, service providers and other affected parties within the national transportation system.
Internal Services	Support the needs of programs and other corporate obligations of the Agency.



## **Program Activity Crosswalk**

As approved by Treasury Board, the Agency modified its PAA for 2009–2010 with the following change to its program activities:

<b>Program Activities</b>	
<b>2008–2009</b>	<b>2009–2010</b>
<ul style="list-style-type: none"><li>• Economic regulation of the federal transportation system.</li></ul>	<ul style="list-style-type: none"><li>• Economic Regulation</li><li>• Adjudication and Alternative Dispute Resolution</li><li>• Internal Services</li></ul>

The one program activity was divided into three program activities following changes to the Agency's organization structure. The Agency regulates the national transportation system (air, rail and marine) through the administration of laws, regulations, voluntary codes of practice, education and outreach programs, and adjudicates disputes between users of, service providers within and others affected by the national transportation system. With this clear distinction between activities, the expected results, performance measures and resource requirements are more closely linked to how the Agency delivers its mandate.

## **Risk Analysis**

The Agency continues to face fundamental workload challenges as a result of increased responsibilities, more complex cases, a limited budget, and anticipated retirements over the next three years. The new organizational structure is intended to address challenges faced by the Agency by improving process efficiency to ensure the optimum use and realignment of resources that will match priorities and workload to meet future challenges.

With the entrenchment of its mediation services in the *Canada Transportation Act*, the Agency has created an ADR Services unit and developed guidelines to divide its approach to dispute resolution into two separate processes: informal and formal. The documents encourage the resolution of disputes informally and promotes the use of facilitation and mediation as the preferred options for resolving disputes and issues before moving into the formal process.

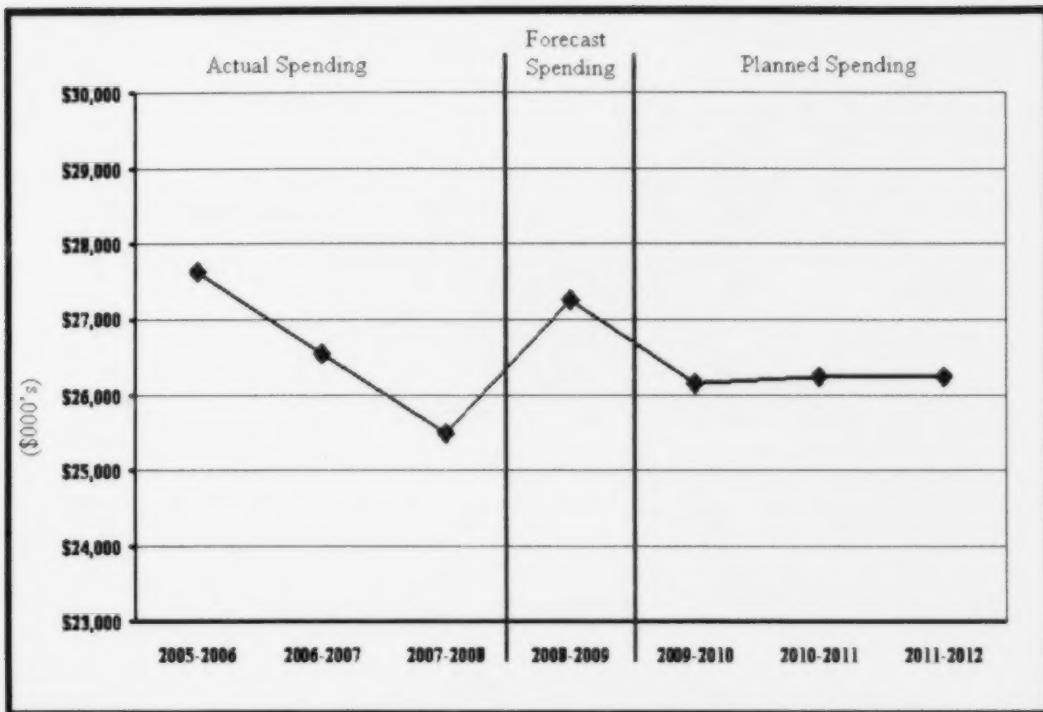
The Agency strives to be an innovative, knowledge-based organization, enabling it to effectively deal with the challenges of a changing environment and allowing it to be more responsive to Canadians and national economic objectives. Internal audits and business process evaluations will provide objective assessments of the design of our practices and operation of our systems and directly contribute to effective risk management and resource control as part of the Agency's commitment to continuous improvement in its planning and operations. Education and consultation are integral to the Agency's effectiveness. The Agency works closely with those who use and provide

transportation services in Canada and those outside Canada that are directly affected by these services. The Agency helps travellers, shippers, air carriers, municipalities and others to fully understand not only their rights and obligations, but also the Agency's roles and responsibilities. The Agency consults as widely as possible on issues related to the administration of its legislated mandate. By remaining open and by listening to all affected parties, the Agency ensures that its decisions are both responsive and responsible.

The Agency contributes to improving access to the federal transportation system for all Canadians. As Canada's population ages and the incidence of disability increases, the demand for accessible transportation will be even greater. The *Canada Transportation Act* includes a role for the Agency regarding the accessibility of the federal transportation network. The Agency is committed to ensuring the transportation network is accessible without undue obstacles to the mobility of persons, including persons with disabilities.

The Agency will continue to focus on strengthening its relationships with its various co-delivery partners through fostering its close ties and working relationships with Transport Canada, Foreign Affairs and International Trade Canada, the Canada Border Services Agency, the Canadian Human Rights Commission, the Canadian Air Transport Security Authority, and a number of provincial governments. For details on these relationships, refer to the Agency's Web site at [http://www.cta.gc.ca/about-nous/partners\\_e.html](http://www.cta.gc.ca/about-nous/partners_e.html).

## 1.4 Expenditure Profile



Actual spending declined from \$27.6 million in 2005–2006 to \$25.5 million in 2007–2008 and is explained by the following:

- the elimination of funding, in the amount of \$2.6 million, for the Office of the Air Travel Complaints Commissioner, which was phased over a three-year period beginning in 2005–2006; and
- an extensive internal review process focussed on improving management of our work, delivering more timely decisions, and improving caseload management was conducted in 2006–2007. This process led to the implementation of a new organizational structure and resulted in a resource reallocation exercise. The Agency’s ability to recruit accountants, financial analysts and economists was limited as a result of reduced availability of these professional groups.

Forecast spending in 2008–2009 is higher by \$1.8 million over 2007–2008 actual expenditures due to the \$1.1 million for the 2007–2008 carry forward and \$0.6 million for costs associated with the implementation of the new organization structure.

Planned spending for 2009–2010 and future years is lower than the 2008–2009 forecast spending by \$1.1 million, as it does not reflect the Agency's maximum carry forward which is included in 2008–2009 amount.

## **1.5 Planning Summary**

### **1.5.1 Financial Resources (\$ thousands)**

<b>2009–2010</b>	<b>2010–2011</b>	<b>2011–2012</b>
26,152	26,151	26,151

### **1.5.2 Human Resources (full-time equivalents)**

<b>2009–2010</b>	<b>2010–2011</b>	<b>2011–2012</b>
252	252	252

### **1.5.3 Link to the Government of Canada Outcome Areas**

The Agency's strategic outcome and program activity are directly aligned with the broader Government of Canada outcome of "a fair and secure marketplace". The regulatory programs implemented by the Agency resolve economic issues, remove transportation barriers and protect the rights of consumers, carriers and others. These programs also help to improve the overall quality of life in Canada, as an efficient and accessible transportation system that benefits all Canadians.

**Strategic Outcome:** Transparent, fair and timely dispute resolution and economic regulation of the national transportation system.

Program Activity	Forecast Spending 2008–2009	Planned Spending			Alignment to Government of Canada Outcome Area
		2009–2010	2010–2011	2011–2012	
Economic Regulation	11,993	11,902	11,942	11,942	A fair and secure marketplace
Adjudication and Alternative Dispute Resolution	7,132	6,584	6,564	6,564	
Internal Services	8,100	7,666	7,645	7,645	
Total Planned Spending	<b>27,255</b>	<b>26,152</b>	<b>26,151</b>	<b>26,151</b>	

#### 1.5.4 Voted and Statutory Items in Main Estimates

(\$ thousands)			
Vote or Statutory Item	Truncated Vote or Statutory Wording	2009–2010 Main Estimates	2008–2009 Main Estimates
25	Program expenditures	<b>22,933</b>	22,611
(S)	Contributions to employee benefit plans	<b>3,219</b>	3,444
	<b>Total for the Agency</b>	<b>26,152</b>	26,055

#### Contribution of Priorities to Strategic Outcome

The Agency's Strategic Plan is based on an overarching objective to maintain and enhance the Agency's long-standing reputation as a leading Canadian tribunal by committing to set and achieve high performance standards. The Agency will focus on five organizational priorities as follows:

##### 1. Effective dispute resolution and economic regulation

The Agency acts early to define issues, identify the interests involved and bring together the parties in a dispute. Through collaborative mechanisms, results will be achieved faster and more effectively, at less cost and with greater satisfaction and commitment to solutions. Where possible, the Agency encourages voluntary

and informal processes to resolve disputes between parties as a more effective means of resolving disputes. Adjudicated cases are dealt with through an impartial, transparent, timely and fair process. While the national transportation policy encourages the market to regulate itself where competition exists, it acknowledges that regulation is necessary where parties are not served by effective competition. The Agency has a mandate to administer economic regulatory provisions affecting modes of transport under federal jurisdiction as described in various Acts of Parliament. The Agency issues administrative rulings and determinations, many of which are complex and unique, to support the effective regulation of the national transportation system.

2. Focussing on People

Employees are the Agency's greatest asset. The Agency strives to create a working environment that fosters innovation and creativity, and creates opportunities for development to attract and retain highly skilled individuals and to be recognized as a workplace of choice. The focus is on the recruitment, the retention and the development of competent, capable and high performing staff.

3. Enhanced Internal and External Relations

To establish productive and mutually beneficial relationships with its clients, its stakeholders and its employees, the Agency recognizes the need to commit to clear and timely communications. It has adopted an approach that is co-ordinated and designed to improve its understanding of the issues and challenges facing its employees, clients and transportation service providers.

4. Accessible Transportation

The Agency uses a variety of mechanisms to improve the accessibility of the federally regulated transportation network to persons with disabilities. It tries to eliminate problems before they occur by responding to pre-travel inquiries and by educating all parties about their rights and responsibilities regarding the accessibility of the federal transportation network. It develops and promotes regulations, codes of practice and standards that offer practical, functional and operation-oriented solutions. When disputes do occur, the Agency moves to resolve them quickly, encouraging collaborative approaches where possible.

5. Organizational Support and Responsiveness

With a strong governance model, effective management principles and sound processes, the Agency is an effectively managed and forward-looking, innovative organization that anticipates and responds effectively to change.

The Agency's 2008–2011 Strategic Plan is reviewed and updated on an annual basis. For planning and forecasting purposes, we anticipate that the strategic priorities and actions that fall outside of the time horizon of the current strategic plan will not be substantially

different. Accordingly, the resources required will remain stable. The process for establishing strategic priorities and actions for 2011–2014 will take place in 2010.

**SECTION II — ANALYSIS OF PROGRAM ACTIVITIES BY  
STRATEGIC OUTCOME**



## 2.1 Analysis by Program Activity

### Agency Strategic Outcome Performance Indicators

**Strategic Outcome:** Transparent, fair and timely dispute resolution and economic regulation of the national transportation system.

Performance Indicator	Target	Date to Achieve Target
Feedback from users of, service providers within, and others affected by the national transportation system on perceived transparency, fairness, and efficiency of the decision-making process.	Conduct benchmark surveys and set targets.	2009–2010
	Conduct subsequent survey.	2010–2011
Percentage of discretionary rulings overturned by the Federal Court of Appeal on basis of procedural fairness.	0%	Ongoing
Percentage of cases resolved within prescribed time limits.	<b>Disputes resolved formally:</b> 65% resolved within 120 days. <b>Determinations:</b> 95% issued within 120 days. <b>Licences:</b> 85% issued within 14 days.  <b>Charter permits:</b> 92% issued within 30 days. <b>Mediation:</b> 100% completed within 30 days (when no extension is requested).	April 2011  Ongoing

#### 2.1.1 Program Activity 1: Economic Regulation

##### Description

This program activity is responsible for the economic regulation of the national transportation system. It is responsible for a wide range of matters involving air, rail and marine modes of transportation under the legislative authority of Parliament, and, for certain accessibility matters, extra-provincial bus transportation. The program derives its authority from the *Canada Transportation Act*, as well as other laws and regulations that it is mandated to administer.

Its role can be best depicted along a continuum, in which the transportation policies emanating from the legislative and executive branches of the Government of Canada are implemented in an impartial and sound manner by the Agency as a quasi-judicial body and supported by its staff.

<b>Body Responsible</b>	Parliament, Government, Minister	Agency	Agency	Agency
<b>Instrument</b>	Laws, directives, policies, regulations	Regulations, codes of practice, guidelines	Decisions, orders, rules	Warnings, administrative penalties
<b>Function</b>	Policy-making	Regulation	Determinations	Enforcement

The program has two main functions:

- **industry determinations:** to make determinations or to provide authorities on specific cases or applications as per the applicable legislative/regulatory requirements; and
- **industry regulation:** to develop and implement regulations, guidance documents, and codes of practice to implement transportation policies and clarify the Agency's expectations to industry participants, and provide a sound procedural foundation for rendering specific decisions.

Industry determination is the core operational function and is highly dependent on the foundation set by industry regulation. The Economic Regulation program also includes an enforcement division that ensures that the legislation and regulations administered by the Agency and the decisions it renders are respected by industry participants.

The scope of responsibilities of the Economic Regulation program is broad and varied. Within the context of a pro-competitive transportation policy framework, responsibilities extend to targeted aspects of the national transportation system, as follows:

- **Market Entry** – ensures that entrants into the Canadian transportation marketplace meet basic public policy requirements by:
  - licensing Canadian and foreign air carriers and providing them with special authorities and exemptions (wet leases, extra bilateral authorities, etc.);
  - supporting the negotiation of international air service agreements to provide expanded market opportunities for air carriers and stimulate improved air services;
  - issuing certificates of fitness for federal railways to ensure that they have adequate third-party insurance liability; and
  - determining if Canadian ships are available and suitable to operate commercial services proposed to be provided by foreign ships in Canadian waters.

- **Market Behaviour** – protects the interests of shippers, travellers, persons with disabilities, and other parties by:
  - determining the maximum amount of revenues that Canadian National and Canadian Pacific railway companies can earn for the movement of Western grain;
  - establishing the frameworks in the national transportation system that support the mobility of persons with disabilities without undue obstacles, including the promulgation of regulations, codes of practice and other standards, education and outreach and monitoring and assessing industry compliance;
  - setting the rules of accounting, depreciation rates and rates of return on capital for certain federally regulated railways to assist the Agency in providing certain pro-competitive remedies to shippers and public transportation service providers;
  - determining whether the terms and conditions of carriage by air are clear, just and reasonable; and
  - approving the adequacy of the protection of the advance payments made to air carriers to protect the users of air charters.
- **Market Exit** – determines conditions under which carriers can or must exit certain markets by:
  - suspending and cancelling air licences when basic public policy requirements are no longer being met (including insurance and air operator certificate);
  - approving air carrier termination of service notices; and
  - establishing the net salvage value of railway lines to facilitate their orderly transfer for railway or non-railway uses.

The applications handled by the program vary greatly in complexity and volume levels, from the routine and voluminous air charter flight notifications to the very complex and significant, but small number of, decisions associated with the Grain Revenue Cap. Unlike the Adjudication and Alternative Dispute Resolution program, the vast majority of applications handled by this program involve only one party, which is seeking an authorization or determination from the Agency.

The Agency's Strategic Plan provides the foundation and sets the context for the action plan for the Economic Regulation program, which makes direct and concrete contributions to advance some of the more focussed operational objectives including:

- issuing regulatory authorizations requested by transportation service providers on a timely basis;
- monitoring the compliance with codes of practice and regulations concerning accessibility;
- documenting, reviewing and harmonizing processes across the Agency;
- committing to on-going process improvements; and
- advancing the Agency-wide priorities.

## Expected Results

The demands on the program are driven by legislative and regulatory requirements, which must be administered in the context of an evolving industry. The resource requirements of the program, which are expected to be relatively stable over the next three years, will be deployed so that the program can meet its responsibilities and deliver the following expected results.

Program Activity: Economic Regulation					
Human Resources (FTEs) and Planned Spending (\$000s)					
2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
119	11,902	119	11,942	119	11,942
Expected Results		Performance Indicators		Targets	Target Date
Regulatory authorities required to operate publicly available air services are issued on a timely basis upon meeting the regulatory requirements.		Percentage of charter permits issued within 30 days.		92%	Ongoing
Regulatory authorities required to operate publicly available air services are issued on a timely basis upon meeting the regulatory requirements.		Percentage of licences issued within 14 days.		85%	April 2011
Compliance with the <i>Canada Transportation Act</i> and its attendant regulations.		Percentage of compliance with the requirements to hold a valid licence, insurance and Air Operator Certificate, as determined by inspections.		100%	Ongoing
Compliance with the <i>Canada Transportation Act</i> and its attendant regulations.		Percentage of compliance with requirements of the Act and regulations other than licence, insurance and Air Operator Certificate requirements, as determined by inspections.		85%	Ongoing

Enhanced monitoring of and compliance with accessibility regulations and codes of practice	Level of compliance with accessibility provisions	Development of new monitoring and compliance methodology and tools  Conduct monitoring and set targets  Conduct assessments and report on compliance	April 2009  April 2010  April 2011
The Agency efficiently protects the interests of operators of Canadian registered ships while allowing access to foreign ships when suitable Canadian registered ships are not available.	Percentage of applications processed prior to the specified deadline.	95% prior to the commencement date when no offers are made  80% issued within 90 days when offer is made	Ongoing  April 2011
Environmental, economic and social impacts of railway construction projects, railway lines and yards are mitigated.	Percentage compliance with prescribed mitigation conditions as determined on follow-up.	100%	Ongoing
Regulatory authorities required in railway operations are issued on a timely basis upon meeting the regulatory requirements.	Percentage of determinations issued prior to specified timeline of 120 days.	95%	April 2011

### Goals and Action Plan

For the Agency to continue in its role as a leading tribunal of the Government of Canada, this program activity must excel in making determinations and administering regulations. This calls for focussed attention on the following two goals:

- Managing caseload in a sound, responsive, timely and efficient manner; and
- Maintaining up-to-date, relevant and clear Agency regulatory frameworks.

Proposed actions to further these two goals are explained below.

### **Managing caseload in a sound, responsive, timely and efficient manner**

The Agency is an expert tribunal rendering impartial, sound and timely decisions in an efficient manner consistent with the federal transportation policies, regulation and legislation. Sound decision-making is the primary consideration in all of the proceedings that it manages and remains an ongoing focus by:

- assessing the relevant factors for consideration;
- determining best courses for addressing both procedural and substantive matters;
- rendering impartial decisions that are clearly laid out, particularly when decisions are potentially controversial or set new precedents; and
- respecting procedural fairness and natural justice at all times.

Timely and efficient decision-making is also a key focus of the Agency. Most of the Agency's decisions are subject to statutory deadlines. Therefore, vigilance and attention by all parties is required to ensure that decisions are timely and meet the needs of users.

The Agency recognizes that its decisions have an immediate and direct impact on the transportation sector. Industry is more responsive when it knows what it can and cannot do, and the Agency can assist industry by adopting more stringent service standards. To achieve this, procedures will be reviewed to ensure optimal turnaround times, and performance measures will be monitored to ensure service target deadlines are respected.

#### **Action Plan:**

To properly manage the program's caseload in a sound, responsive, timely and efficient manner, the following actions will be pursued:

- review and streamline process for quasi-judicial decisions that are of a more administrative or routine nature by 2009–2010, where possible;
- establish a three-year plan for documenting and streamlining the approach/procedures for managing caseload in each of the main lines of business, including the documentation necessary to effectively support decision-making, and make measurable progress in priority areas;
- automate the production of routine and procedural documents using the Agency's internal case management application tool (ie. AppInfo); and
- continue to monitor performance measures and improve performance management tools by addressing gaps in performance and adjusting targets accordingly.

### **Maintaining an up-to-date, relevant and clear Agency regulatory framework**

Regulations are a key instrument of public policy – they express the will of government and reflect the public interest. The regulations administered by this activity provide the foundation upon which determinations are made that impact on the Agency's work and

the behaviour of industry. Outdated regulations can have a negative influence both on the Agency and the industry it regulates.

Guidelines and codes of practice are other instruments that can be used to implement policies. Good guidance documents and codes of practice facilitate a more timely, consistent and transparent treatment of applications by informing industry participants and stakeholders what is expected of them.

**Action Plan:**

The Agency plans to review and update, where appropriate, existing regulations, codes of practice and guidelines over the next few years to ensure they are up to date, relevant and clear. Immediate attention will be placed on the following initiatives:

**Regulations**

- update the *Air Transportation Regulations* to bring them in line with the existing legislative framework and charter policies, and begin to consider future enhancements;
- initiate review of the *Railway Costing Regulations* to bring them up to date;
- implement Phase 2 of the Uniform Classification of Accounts (UCA) project with the goal to migrate industry to the International Financial Reporting Standard (IFRS); and
- readjust priorities in light of any government-identified priorities for regulatory development.

**Codes of Practice**

- develop and implement new monitoring and compliance methodology and tools for the accessibility regulations and codes of practice that will provide the foundation for monitoring activities, establishing targets, conducting assessments and reporting compliance.

**Guidance Documents**

- develop guidance material for service providers to comply with provisions pertaining to tactile row markers and space for service animals in the code of practice for aircraft accessibility;
- finalize the development and start implementing a plain language guidance document for air carrier tariffs to contribute to clear and simple tariffs that meet the needs of air carriers, transportation users and the regulator;
- update air licensing and charter guidance documents;
- update the guidance document on Net Salvage Value Determination; and
- issue clarifications/amendments to the Coasting Trade Guidelines.

## **2.1.2 Program Activity 2: Adjudication and Alternative Dispute Resolution**

### **Description**

The Agency has the jurisdiction to resolve transportation issues affecting air, rail and marine modes of transportation under the legislative authority of Parliament, as well as matters relating to the accessibility of the system to persons with disabilities.

Applicants seeking the Agency's assistance range from affected users such as passengers and shippers, to transportation service providers, municipalities, road authorities, landowners and other affected parties. Applications cover a wide variety of matters. Some matters can be relatively simple and dealt with quickly while others can be very complex and take many months, even years to resolve. The Agency is guided by various Acts and regulations. In all cases, the Agency strives to issue balanced and fair decisions that are consistent with Agency precedents and that respect the decision of superior courts.

Issues addressed by the Agency include:

#### **Air transportation**

- complaints related to air carriers' application of tariff provisions (particularly the terms and conditions of carriage) and to prices applied by carriers to non-competitive routes within Canada to ensure that air carriers licensed to operate in Canada meet the legislative requirements in place to protect Canadians; and
- appeals of new or revised air navigational charges imposed by NAV CANADA to ensure that principles used to establish them are in compliance with the legislation.

#### **Rail transportation**

- disputes between shippers and rail carriers on various matters, to ensure that shippers have competitive access to more than one rail carrier, adequate level of service and reasonable rates;
- disputes between railway companies and municipalities, road authorities, landowners and others regarding rail crossings and rail infrastructure issues to ensure a balance between parties; and to ensure that noise and vibration caused by railways are reasonable;
- assessments of the environmental, operational, social and other impacts of proposed railway construction projects, and orders of corrective measures as required to ensure the requirements of the *Canadian Environmental Assessment Act* and the interests of localities affected by the proposed lines are taken into account; and
- complaints by public passenger rail service providers concerning disputes with railway companies affecting the use of a railway, its land, equipment, facilities or services to determine the appropriate amounts to be paid.

### **Marine transportation**

- objections to proposed pilotage charges to determine whether the pilotage authority has based its fees to continue operations on a self-sustaining financial basis, and whether the proposed user charges are fair, reasonable and in the public interest;
- complaints regarding user fees charged by Canadian port authorities and the St. Lawrence Seaway Management Corporation, and determine if they are unjustly discriminatory; and
- complaints pertaining to shipping conference agreements, or actions by a member of a cartel of shipping lines, that substantially reduce competition and result in an unreasonable increase in price or a reduction in service.

### **Accessible transportation**

- complaints regarding the accessibility of all modes of transportation in the national transportation system to ensure that undue obstacles to the mobility of persons with disabilities are removed.

Disputes are resolved in a variety of methods: through informal facilitation by Agency staff, through Agency appointed mediators, through an arbitration process administered by the Agency, or through the Agency's formal adjudicative process.

Program Activity: Dispute Resolution						
Human Resources (FTEs) and Planned Spending (\$000s)						
2009–2010		2010–2011		2011–2012		
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending	
62	6,584	62	6,564	62	6,564	
Expected Results		Performance Indicators		Targets	Target Date	
The Agency efficiently resolves complaints on air services, weighing the evidence submitted by the parties.		Percentage of disputes resolved formally within 120 days.		70%	April 2011	
The Agency efficiently resolves complaints about obstacles to the mobility of persons with disabilities, weighing the interests of persons with disabilities with those of the industry in assessing whether the obstacle is undue.		Percentage of disputes resolved formally within 120 days		50%	April 2011	

The Agency efficiently resolves disputes by determining whether pilotage charges are in the public interest and whether port fees and seaway tolls are not unjustly discriminatory.	Percentage of disputes resolved formally within 120 days.	70%	Ongoing
The Agency efficiently resolves disputes between shippers, farmers, landowners, road authorities, utility companies, all levels of government, and railway companies.	Percentage of disputes resolved formally within 120 days.	75%	April 2011

### Expected results

Resolving disputes in a fair, transparent and timely manner helps achieve a competitive, efficient and accessible transportation system and helps meet the needs of users, service providers and other affected parties. The Agency encourages parties to work together to either avoid disputes or resolve issues in a collaborative fashion. Voluntary and informal processes are generally faster, more effective and less costly than formal adjudication, and as such the Agency will continue its efforts to resolve disputes using these alternative dispute resolution methods. It will also focus on improving the timeliness of resolving formal disputes through adjudication.

It is difficult to predict the nature and number of complaints that will be brought to the Agency, but it is expected that, with the Agency's additional responsibilities, such as new provisions in the Act which provide shippers with greater recourse to obtain adequate and competitive service, as well as the mandate to hear complaints concerning rail noise and vibration, the number of disputes filed will increase. In addition, those cases that cannot be resolved successfully through informal and voluntary processes tend to be more litigious and complex, and often the parties introduce legal procedural issues, which can significantly add to the processing time. These cases may also raise broad systemic issues, which might result in a public hearing. As well, it is expected that certain new legislative responsibilities will be tested by the parties, resulting in precedents that must be carefully considered.

### Goals and Action Plan

The Agency will work to meet the performance goals it has set out by continuing to:

- promote the use of informal resolution processes;
- review its informal and formal processes and procedures;
- reallocate resources as caseload changes among transportation modes;
- monitor performance through its case tracking system; and
- make the necessary modifications and adjustments.

**Action Plan:**

There will also be a focus on the following initiatives:

- the Agency will establish a Technical Advisory Committee to provide expertise and advice on best practices of general application related to noise and vibration issues. It is expected that this committee along with the *Guidelines for the Resolution of Complaints Concerning Railway Noise and Vibration*, which the Agency released in late 2008, will greatly assist the Agency in the exercise of its new mandate.
- the Agency currently has a number of cases before it pertaining to allergies. The Agency intends to release decisions on whether the applicants are persons with disabilities for the purpose of Part V of the *Canada Transportation Act* and if they encountered obstacles to their mobility and, if so, whether the obstacles are undue.
- the Agency will develop further communication material explaining its process in handling accessibility complaints, which should assist parties in these types of transportation disputes.

During the next few years, the Agency may also receive complaints from public passenger service providers that are unsuccessful in negotiating agreements with railway companies about railway property usage. The Agency may fix the amount to be paid to the railway for the use of any of its railway, land, equipment, facilities or services. This is a new mandate for the Agency and there are numerous considerations the Agency must take into consideration when determining the amount to be paid. These types of cases will be complex, resource intensive and have significant implications for both railways and public passenger service providers.

### **2.1.3 Program Activity 3: Internal Services**

Program Activity: Internal Services					
Human Resources (FTEs) and Planned Spending (\$000s)					
2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
71	7,666	71	7,645	71	7,645

#### **Description**

Internal Services support the needs of programs and other corporate obligations of the Agency. They apply across the Agency and support the delivery of the Agency's plans and priorities and are not specific to a program. This includes: management and oversight services; communications services; legal services; human resources management services; financial management services; information management services; information

technology services; real property services; materiel services; acquisition services; and travel and other administrative services.

### **Goals and Action Plan**

The Agency's Strategic Plan has identified "people" as one of its key priorities for which it has the following objectives:

- attract and retain a diverse workforce of highly skilled and motivated people;
- ensure that corporate knowledge and expertise are preserved in the Agency;
- foster a dynamic, creative working environment; and
- enhance employee development.

In addition, the Agency has implemented a comprehensive, integrated human resource planning framework that focuses on corporate human resources management priorities and reflects a philosophy of strategic staffing and recruitment. As part of this framework, a three-year strategic human resources plan, including a succession plan, is being implemented.

The Human Resources Directorate is a key partner in the Agency's achievement of its objectives related to the "people" priority. To ensure that it carries out its role effectively, the Human Resources Directorate has identified the following initiatives for implementation by 2011, specifically:

- continue the implementation of the activities outlined in the strategic human resources plan, and conduct annual reviews and updates to ensure that the plan continues to meet the Agency's strategic human resources needs;
- develop and implement a knowledge management and knowledge transfer framework for the Agency to enhance employee development and to ensure that corporate knowledge and expertise are preserved;
- update Agency competency profiles to create staffing, learning and career development tools for managers and employees to support the implementation of the succession plan, to attract and retain a diverse workforce and to enhance employee development;
- analyse the results of the 2008 Public Service Employee Survey to identify and recommend actions to attract and retain a diverse workforce and to foster a dynamic, creative working environment;
- simplify and improve human resource operational processes, particularly in staffing to support the implementation of the human resources and succession plan; and
- review and improve the Agency's capacity to extract and analyse demographic information from human resource information systems to ensure the most accurate human resources and succession plans.

To enhance the Agency's ability to provide effective, efficient and equitable levels of service to other parts of the Agency, the Information Technology and Information Management Directorate will:

- continue enhancing the Application Information System to add new and revised functions necessary to address client and central agency needs;
- reduce the number of information technology software tools and adopt one standardized and integrated set of tools to deliver Agency services to simplify the training and support required by users;
- implement new, standardized and operational practices that will ensure clarity and predictability for the provision of services to program areas;
- maintain hardware infrastructure to reflect "greening" policies that promote the effective use and life-cycle management of IT, while reducing the potential negative environmental impacts associated with hardware use; and
- continue to adopt and use shared applications and services to produce more effective, efficient and economical delivery of common services within and across government departments and agencies.



### **SECTION III — SUPPLEMENTARY INFORMATION**



### **3.1 List of Supplementary Information Tables**

The following tables can be found on the Treasury Board Secretariat's Web site at  
<http://www.tbs-sct.gc.ca/estsd-bddc/index-eng.asp>

Sources of Respondable and Non-respondable Revenue  
Internal Audit

### **3.2 Other Items of Interest**

#### **3.2.1 Annual Reports**

Annual reports for 1997 to 2006 (covering each calendar year) and for 2007–2008 (in which a transition was made to reporting on a fiscal year basis) are available on the Agency's Web site at <http://www.cta.gc.ca>.

### **3.2.2 Contacts for Further Information**

The Agency's headquarters are located in the National Capital Region. Agency personnel working in field offices in six cities across Canada carry out air and accessibility enforcement activities. More information about the role and the structure of the Agency can be found on the Agency's Web site at:  
[http://www.cta.gc.ca/about-nous/index\\_e.html](http://www.cta.gc.ca/about-nous/index_e.html).

Postal address: Canadian Transportation Agency  
Ottawa, Ontario, Canada K1A 0N9

Website: <http://www.cta.gc.ca>

<b>Performance Area</b>	<b>Contact Name</b>	<b>Title</b>	<b>Telephone Number and E-Mail Address</b>
Legal Services	Claude Jacques	General Counsel	(819) 997-9323 <a href="mailto:claude.jacques@cta-otc.gc.ca">claude.jacques@cta-otc.gc.ca</a>
Dispute Resolution	Joan MacDonald	Director General	(819) 953-5074 <a href="mailto:joan.macdonald@cta-otc.gc.ca">joan.macdonald@cta-otc.gc.ca</a>
Industry Regulation and Determinations	Ghislain Blanchard	Director General	(819) 953-4657 <a href="mailto:ghislain.blanchard@cta-otc.gc.ca">ghislain.blanchard@cta-otc.gc.ca</a>
Corporate Management	Arun Thangaraj	Director General	(819) 997-6764 <a href="mailto:arun.thangaraj@cta-otc.gc.ca">arun.thangaraj@cta-otc.gc.ca</a>
Finance, Administration and Planning	Michel LeBlanc	Director	(819) 953-2829 <a href="mailto:michel.leblanc@cta-otc.gc.ca">michel.leblanc@cta-otc.gc.ca</a>
Communications	Jacqueline Bannister	Director	(819) 953-7666 <a href="mailto:jacqueline.bannister@cta-otc.gc.ca">jacqueline.bannister@cta-otc.gc.ca</a>
Secretariat	Cathy Murphy	Secretary	(819) 997-0099 <a href="mailto:cathy.murphy@cta-otc.gc.ca">cathy.murphy@cta-otc.gc.ca</a>

### **3.2.3 Legislation and Regulations Administered**

**The Agency is responsible for the following Act:**

<i>Canada Transportation Act</i> .....	<i>S.C. 1996, c. 10, as amended</i>
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**The Agency shares responsibility for the following Acts:**

<i>Access to Information Act</i> .....	<i>R.S. 1985, c. A-1</i>
<i>Canada Marine Act</i> .....	<i>S.C. 1998, c. 10</i>
<i>Canadian Environmental Assessment Act</i> .....	<i>S.C. 1992, c. 37</i>
<i>Civil Air Navigation Services Commercialization Act</i> .....	<i>S.C. 1996, c. 20</i>
<i>Coasting Trade Act</i> .....	<i>S.C. 1992, c. 31</i>
<i>Energy Supplies Emergency Act</i> .....	<i>R.S. 1985, c. E-9</i>
<i>Financial Administration Act</i> .....	<i>R.S. 1985, c. F-11</i>
<i>Official Languages Act</i> .....	<i>R.S. 1985, c. 31 (4th Supp.)</i>
<i>Pilotage Act</i> .....	<i>R.S. 1985, c. P-14</i>
<i>Privacy Act</i> .....	<i>R.S. 1985, c. P-21</i>
<i>Public Service Modernization Act</i> .....	<i>S.C. 2003, c. 22</i>
<i>Railway Relocation and Crossing Act</i> .....	<i>R.S. 1985, c. R-4</i>
<i>Railway Safety Act</i> .....	<i>R.S. 1985, c. 32 (4th Supp.)</i>
<i>Shipping Conferences Exemption Act, 1987</i> .....	<i>R.S. 1985, c. 17 (3rd Supp.)</i>

**The Agency has sole responsibility for the following regulations and other statutory instruments:**

*Air Transportation Regulations*

*Canadian Transportation Agency Designated Provisions Regulations*

*Canadian Transportation Agency General Rules*

*Personnel Training for the Assistance of Persons with Disabilities Regulations*

*Railway Costing Regulations*

*Railway Interswitching Regulations*

*Railway Third Party Liability Insurance Coverage Regulations*

*Railway Traffic and Passenger Tariffs Regulations*

*Railway Traffic Liability Regulations*

*Uniform Classification of Accounts and Related Railway Records*

**The Agency shares responsibility for the following regulations:**

*Carriers and Transportation and Grain Handling Undertakings Information Regulations*

*Railway Company Pay Out of Excess Revenue for the Movement of Grain Regulations*

*The Jacques-Cartier and Champlain Bridges Inc. Regulations*

*The Seaway International Bridge Corporation, Ltd. Regulations*

These Acts and Regulations are available in the “Legislation” section of the Agency’s Web site at [http://www.cta.gc.ca/legislation/index\\_e.html](http://www.cta.gc.ca/legislation/index_e.html).